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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000509

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SUBJECT: NEW TIDE FACTION ELDER WU NAI-JEN ON DPP POLITICS

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

¶1. (C) Summary: During an April 10 meeting with the Director, DPP New Tide faction elder Wu Nai-jen told us he expects it will take some time for the DPP to recover from its back-to-back election defeats earlier this year. The party must first confront the reasons for the losses: corruption, excessive ethnic identity politics, and economic conditions. Wu, however, is highly critical of the DPP post-election review currently underway, and predicted the DPP will face another defeat in the 2009 local elections. Only after this would a new leader emerge. He hopes the DPP will be more realistic and treat Taiwan independence as a long-term issue, preserving the option of independence "for our grandchildren to decide." On the KMT, Wu expects Ma will accomplish little in the next few years and is not worried about the pro-unification stance of the KMT, arguing the KMT will have to modify its cross-Straits policy if it is to continue winning elections. End Summary.

¶2. (C) The Director met with New Tide faction elder Wu Nai-jen on April 9 to discuss DPP politics following the party's recent defeats in legislative and presidential elections. Admitting it would take the DPP some time to recover from the defeats, Wu nonetheless was confident that "we will find a way." The DPP has to face the many mistakes it made over the past eight years, he suggested. One main reason for the DPP defeats was the corruption issue. Although the DPP's corruption problem was no worse than that of the KMT, many people have a negative perception of the DPP on this issue. Overdoing the national identity issue over the past four years was another important reason for the DPP's electoral defeats. Although more than 60 percent of the people agree with the DPP view on Taiwan identity, they do not like the strident approach the DPP government has taken on this issue.

¶3. (C) Wu noted that the KMT attacked the DPP heavily on the economic situation during the campaign. Even though the economic situation has actually been relatively good, many people, including low-wage unskilled workers in the 40-50 age group, feel life has become harder for them over the last eight years. Wu doubted, however, that the situation would improve much in the next two years. Chinese tourists will not have the same economic impact in Taiwan that they have

had in Hong Kong. Ma's "good boy" personality, moreover, means he will not move too far in any direction. Ma left no memorable accomplishments from his term as Taipei mayor, Wu argued, and he will be the same kind of president. Wu said he was not too worried about the pro-unification stance of KMT leaders. As long as the KMT has to win elections, it will continue to gradually modify its cross-Strait positions.

14. (C) Wu recalled that in the early years, the DPP had gained support in urban areas. Since 2000, however, the DPP has gradually lost the urban areas while gaining support among farmers. This latter development was not because of anything the DPP had done, but rather a product of farmer and unskilled labor anger with China. Laborers blamed their unemployment problems on their bosses, who had left for China. Because the KMT favored more opening to China, the farmers and laborers shifted their support to the DPP, which was more conservative in this regard.

15. (C) It will be some time before the DPP is again able to win elections, Wu predicted. The DPP will probably have to endure another defeat in local elections late next year, because four of the six DPP magistrates and mayors are now in their second and final term. These are the strongest DPP candidates, but they cannot run for reelection. In coming years, the DPP will have to depend on the generation which is now around age 45-50. There is currently no clearly identifiable future leader in this group, he said, but Wu felt confident someone will emerge, especially as the first generation of DPP leaders retires. Thus, the next party chairman who will be elected on May 18 will be merely a transitional leader, he said, with a real leader emerging only after the December 2009 county magistrate and city mayor elections.

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16. (C) On future DPP presidential prospects, Wu told the Director that Su Tseng-chang is the only possible DPP candidate to run in the 2012 presidential election. Under present circumstances, Su would not have a chance of winning, but of course anything could happen over the next four years. More realistically, he said, the DPP will need to look toward the 2016 election.

17. (C) Wu expressed considerable disappointment over the post-election review process currently underway in the DPP. All the discussion was beside the main point, he lamented, which should be to assess the reasons for the recent heavy election losses, for only then can the party begin to move forward again. The review process, however, loses focus if all kinds of problems are brought in, he continued. For example, advancing the party chair election by one week has no relation to the election losses. Bringing young people into the party is also not a core issue. The main problem is distrust among the factions resulting from the sudden change in party rules before the Legislative Yuan (LY) primaries last year. This completely destroyed mutual trust within the party, and from then on, no one trusts anyone else.

18. (C) Wu told the Director that not too many in the DPP have been directly criticizing President Chen for the elections losses, though it is widely understood that he deserves most of the blame. The DPP's problem is not Chen, however. If he were the only problem, then there would be no problem after he steps down.

19. (C) The two names Wu had heard as being interested in running for the party chairmanship, Trong Chai and Yen Chin-fu, were "a joke." Thus, the party will probably have to settle in the near term for a transitional leader. Eventually, however, the party will need a chair who appears strong to the public. Asked about Yeh Chu-lan, Wu said most DPP leaders do not regard her as a capable politician. Wu did not think Chen Shih-meng would be willing to serve, mostly for health reasons.

¶10. (C) Wu told the Director that he hopes the DPP will be more patient and realistic about Taiwan independence. There is no reason to be impatient, he said, just let current trends continue, since more than 60 percent of the people already identify themselves as Taiwanese rather than Chinese. Taiwan and the DPP should preserve the possible option of independence "for our grandchildren to decide."

Comment

¶11. (C) A leader of the "New Tide" faction, Wu struck us as more thoughtful than most of those speaking publicly about the way forward for the DPP. How much currency his ideas have now as the finger-pointing continues is less clear.
YOUNG